

# Department of Social & Health Services

## **Home Care Worker Collective Bargaining Agreement**

Chapter 278, Laws of 2004 (EHB 1777), provides a total of \$44.4 million to the Department of Social and Health Services' (DSHS) Children and Family Services, Developmental Disabilities, and Aging and Adult Services programs to implement the compensation-related provisions of the collective bargaining agreement between the Home Care Quality Authority and the exclusive bargaining representative of individual home care providers.

The agreement increases the wages of individual providers from \$8.43 per hour to \$8.93 per hour on October 1, 2004; provides worker's compensation benefits effective October 1, 2004; and provides contributions of \$400 per month for health care benefits through a Taft-Hartley trust for eligible individual home care providers, effective January 1, 2005.

In addition to the funding provided to DSHS, \$1.4 million is provided to the Home Care Quality Authority and to the Office of Financial Management for the administrative and employer relations costs associated with implementing the terms of the collective bargaining agreement and for the purposes of implementing Chapter 3, Laws of 2004 (ESHB 2933).

## **Children and Family Services**

The budget provides an additional \$2 million in state funds per year for domestic violence (DV) programs. DV shelters are experiencing increased workloads due to greater awareness of DV issues. In 2003, nearly 35,000 requests for DV services could not be met.

Funding is provided to implement the first phase of a program improvement plan to respond to the recent federal Child and Family Services Review. Additional resources are also provided to implement family case conferences (Chapter 147, Laws of 2004 [ESSB 6642]) and to expedite enhancements to the Case and Management Information System (CAMIS), which supports case worker activities.

## **Juvenile Rehabilitation Administration**

The 2004 supplemental budget passed by the Legislature reduced total state and federal funding by \$9.7 million, which was primarily due to the transfer of \$7.7 million and the Office of Juvenile Justice from the Juvenile Rehabilitation Administration (JRA) program to the Administration and Support Services program. The budget also reduced funding by \$2.2 million in total funds to reflect caseload-related changes in the juvenile offender population. Based upon the February 2004 caseload forecast adopted by the Caseload Forecast Council, the residential population is forecasted to be 44 beds lower than was assumed in the initial 2003-05 budget, a reduction of 5 percent. Funding was also provided to reflect the transfer of Department of Corrections (DOC) inmates under the age of 18 to JRA facilities. The transfer will allow DOC to utilize a 99-bed unit for adult offenders, reducing the need to rent such beds from out of state and saving the state \$2.3 million.

The final enacted version of the 2004 supplemental budget reflects the Governor's partial veto of Section 203 of Chapter 276, Laws of 2004, Partial Veto (ESHB 2459), which includes all supplemental budget adjustments to JRA's fiscal year 2005 state general fund appropriation. While the veto restores \$2.1 million to JRA for fiscal year 2005, the Governor directed DSHS to place \$1.1 million of these funds into unallotted status.

## **Mental Health**

The operating budget provides \$5.7 million in total funds to return Medicaid payment rates for community mental health services to the level originally budgeted for the biennium. Rates would otherwise be reduced by 1.7 percent in the second year of the biennium.

In addition, funding is provided in the Special Appropriations to the Governor section of the operating budget for the Joint Legislative and Executive Task Force on Mental Health.

Funding is provided to the City of Seattle for mitigation costs associated with siting a Secure Community Transition Facility for sexually violent predators transitioning from the DSHS Special Commitment Center on McNeil Island. The funding will be used for improved street lighting, law enforcement training, victim counseling, and an additional detective at the Seattle Police Department.

### **Developmental Disabilities**

Total funding for services to individuals with developmental disabilities increased by \$26.4 million (2.0 percent) over the level originally budgeted for the 2003-05 biennium. State spending was relatively unchanged from the original 2003-05 budget appropriations due to one-time Medicaid assistance from the federal government. Through the end of the first year of the biennium, the federal government will pay approximately 53 percent of total Medicaid costs, rather than the 50 percent initially budgeted. The change is expected to reduce state and increase federal expenditures for persons with developmental disabilities by about \$11.5 million.

A total of \$3.8 million is provided for at least 49 new community residential placements. Twenty of those placements are designated for community protection clients, including those who are: being diverted or discharged from the state psychiatric hospitals; participating in the dangerous mentally ill offender or community protection program; or utilizing mental health crisis diversion outplacement beds. The remaining 29 community residential placements are prioritized for children aging out of other services, clients in crisis or at risk of institutionalization, or current home- and community-based waiver program clients.

Other expenditure enhancements include the following:

- \$1.3 million in total funding for young adults with developmental disabilities who need employment opportunities and assistance after high school graduation;
- \$6.2 million in total funding (\$3.0 million state general fund) for a vendor rate increase of 2.4 percent to residential service providers; and
- \$2.5 million in total funding to improve the consistency of client assessments used to determine service needs for individuals with developmental disabilities. The Department will modify and automate the Comprehensive Assessment Reporting Evaluation tool currently used by the Aging and Adult Services Administration.

### **Long-Term Care Services**

A total of \$2.34 billion is appropriated for DSHS to provide long-term care services to an average of 48,000 elderly and disabled adults per month. This is \$256 million (12 percent) more than was expended on such services last biennium and roughly \$27 million (1.2 percent) more than was originally budgeted for the 2003-05 biennium.

The supplemental budget includes adjustments to long-term care provider payment rates and funding for Area Agency on Aging (AAA) programs, including:

- \$19.3 million to provide nursing homes, boarding homes, adult family homes, and adult residential centers with an inflationary vendor rate increase of 2.4 percent on July 1, 2004;
- \$3.9 million to increase compensation for agency home care workers by 50 cents per hour, plus associated administrative costs, effective October 2004;
- \$4.6 million for AAAs to enhance case management and nurse oversight for persons who receive in-home long-term care services; and
- An additional \$500,000 to assist grandparents and other persons who are caring for a child with access to counseling, support groups, respite care, and other support services.

Additionally, funding is provided for two lawsuit settlements negotiated by DSHS. A total of \$1.4 million is provided for a settlement that grants 200 medically-needy clients, whose incomes exceed eligibility standards for community-based care but not for nursing home care, with Medicaid-funded in-home care services. Another \$834,000 is provided for a settlement that will require the Department to provide an opportunity for administrative fair hearings for individual home care workers against whom Adult Protective Services has made a substantiated finding of abuse, abandonment, neglect, and/or financial exploitation of a vulnerable adult.

### **Economic Services Administration**

The operating budget provides \$1.3 million for the Limited English Proficiency program, which provides specialized employment services to refugees and other families and individuals with limited English proficiency.

The amount of \$500,000 is provided for a Working Connections Child Care subsidy rate increase for child care providers in urban areas of Region 1.

### **Alcohol and Substance Abuse**

State funding of \$250,000 is provided for the Washington State Mentoring Partnership, a prevention network targeting children and youth. The goal of the partnership is to obtain 1,000 new mentors per year and to increase the societal awareness regarding the benefits of mentoring. To achieve the goal, state funding will be supplemented by private sector donations.

### **Medical Assistance**

Total state and federal spending for the Medical Assistance program is now budgeted to exceed the 2001-03 biennium level by \$959 million, or 15.8 percent. While total funding is essentially unchanged from the 15.7 percent spending increase originally budgeted for the 2003-05 biennium, the 2004 supplemental includes several service enhancements and reduces state fund appropriations by almost \$120 million from the level originally budgeted. The reduction in state fund spending is due in large part to two temporary increases in federal funding:

- On a one-time basis, through the end of the first year of the biennium and in order to help states cope with the economic recession, the federal government will pay approximately 53 percent of total Medicaid costs, rather than the 50 percent initially budgeted. The change is expected to reduce state and increase federal expenditures on the Medical Assistance program by about \$73 million.
- For most of the 2003-05 biennium, the federal government will cover 65 percent, rather than 50 percent of the cost of providing Medicaid coverage for children with family incomes between 150 and 200 percent of the poverty level. The change is expected to reduce state and increase federal expenditures on the Medical Assistance program by about \$22 million.

In addition, both the number of persons enrolled in state medical assistance programs, and the cost per person covered are now projected to grow less rapidly than initially budgeted. As a result, state fund expenditures are budgeted to grow by about \$57 million less than originally budgeted. The 2004 supplemental applies part of these savings to the following program enhancements:

- \$20.7 million in state funding is provided to lower families' monthly premium responsibilities. As shown in the following table, families with incomes greater than 150 percent of the poverty level will pay substantially less than originally budgeted to cover a child under state medical programs and premium requirements are eliminated for those families with incomes between 100 and 150 percent of the poverty level.

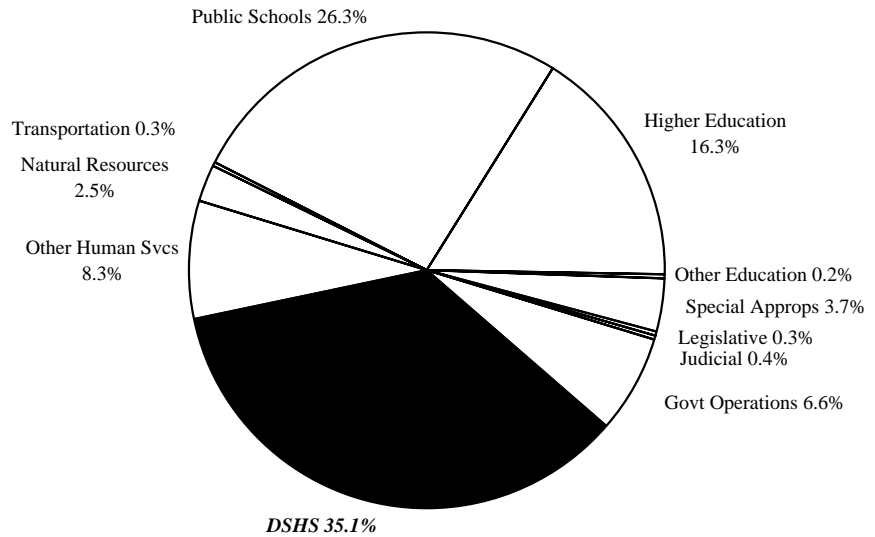
<b>Monthly Premium per Child</b>		
<b>Monthly Family Income</b>	<b>2003-05 Budget</b>	<b>2004 Supplemental</b>
100 to 150% of Poverty Level	\$15	\$0
151 to 200% of Poverty Level	\$20	\$10
201 to 250% of Poverty Level	\$25	\$15
Start Date	April 2004	July 2004

- State funds for grants and transfer payments to assist hospitals with the cost of uncompensated care are increased by \$15.7 million.

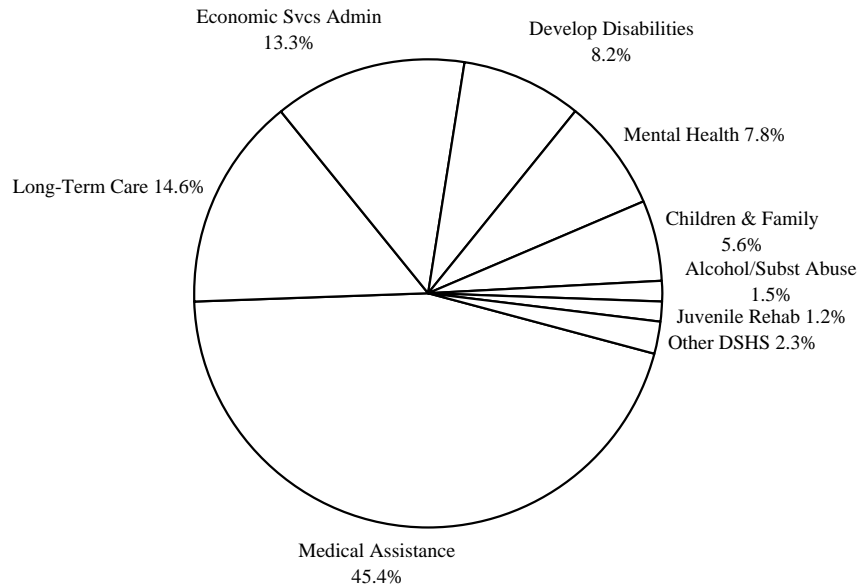
**2003-05 Washington State Operating Budget**  
**Total Budgeted Funds**  
(Dollars in Thousands)

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Legislative	136,744
Judicial	167,656
Governmental Operations	2,989,896
<b>DSHS</b>	<b>15,990,872</b>
Other Human Services	3,762,129
Natural Resources	1,149,662
Transportation	125,500
Public Schools	11,968,321
Higher Education	7,436,241
Other Education	99,594
Special Appropriations	1,667,388
<b>Statewide Total</b>	<b>45,494,003</b>



Medical Assistance	7,261,055
Long-Term Care	2,341,398
Economic Services Admin	2,126,325
Developmental Disabilities	1,318,193
Mental Health	1,249,913
Children & Family Svcs	895,751
Alcohol/Subst Abuse	236,067
Juvenile Rehabilitation	197,416
Other DSHS	364,754
<b>DSHS</b>	<b>15,990,872</b>

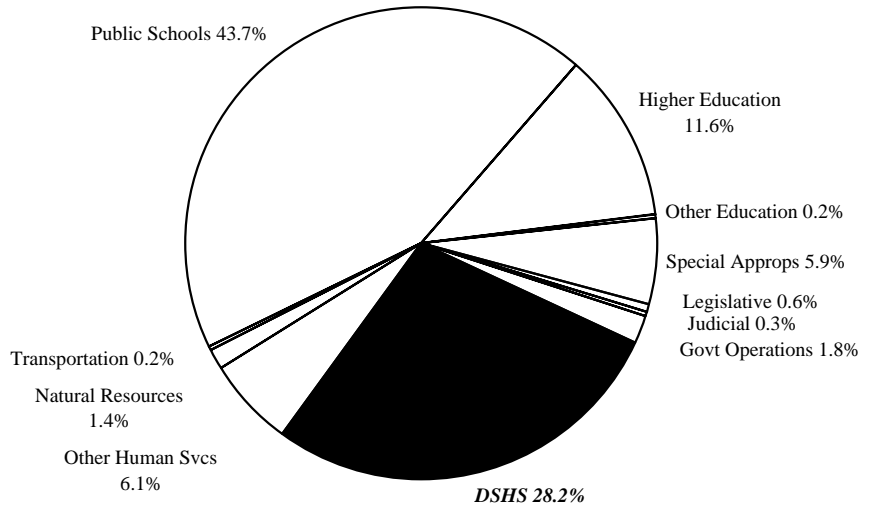


**DSHS**

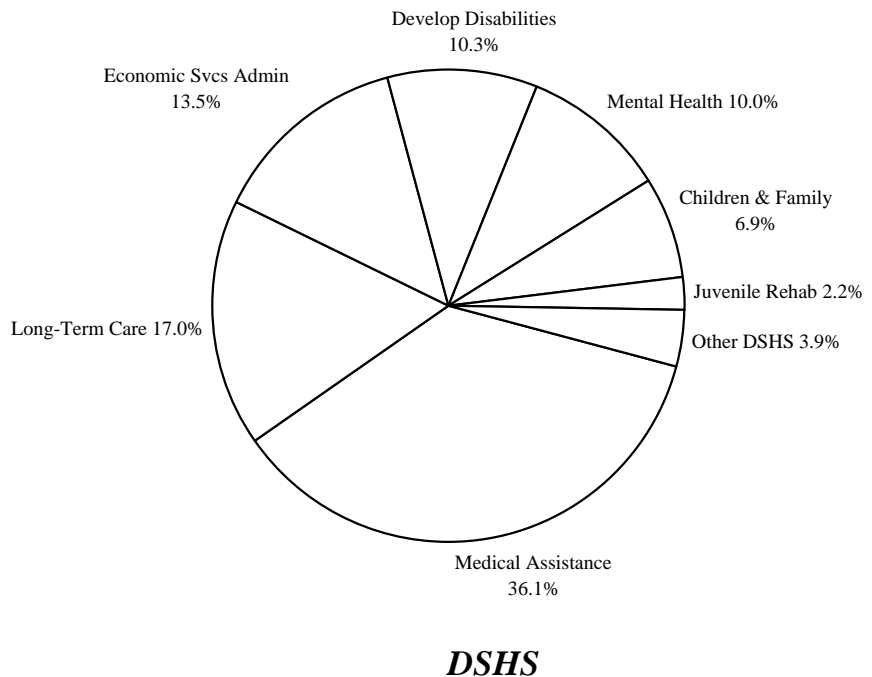
**2003-05 Washington State Operating Budget**  
**General Fund-State**  
(Dollars in Thousands)

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Legislative	129,978
Judicial	79,536
Governmental Operations	419,961
<b>DSHS</b>	<b>6,553,410</b>
Other Human Services	1,406,627
Natural Resources	333,014
Transportation	49,226
Public Schools	10,164,887
Higher Education	2,699,422
Other Education	39,932
Special Appropriations	1,370,095
<b>Statewide Total</b>	<b>23,246,088</b>



Medical Assistance	2,367,653
Long-Term Care	1,116,445
Economic Services Admin	883,688
Developmental Disabilities	677,327
Mental Health	658,386
Children & Family Svcs	449,360
Juvenile Rehabilitation	145,059
Other DSHS	255,492
<b>DSHS</b>	<b>6,553,410</b>



## Department of Social and Health Services Children & Family Services

(Dollars in Thousands)

	GF-S	Other	Total
<b>2003-05 Original Appropriations</b>	<b>464,034</b>	<b>446,003</b>	<b>910,037</b>
<b>Total Maintenance Changes</b>	<b>-18,448</b>	<b>6,346</b>	<b>-12,102</b>
<b>Policy Changes</b>			
1. Domestic Violence Activities	2,000	0	2,000
2. Family Policy Council Transfer	-12	-6,584	-6,596
3. Child Support For DD Children	-132	-50	-182
4. Program Improvement Plan	1,773	531	2,304
5. Home Care Worker's Contr (EHB 1777)	145	145	290
<b>Total Policy Changes</b>	<b>3,774</b>	<b>-5,958</b>	<b>-2,184</b>
<b>2003-05 Revised Appropriations</b>	<b>449,360</b>	<b>446,391</b>	<b>895,751</b>
Fiscal Year 2004 Total	219,291	221,767	441,058
Fiscal Year 2005 Total	230,069	224,624	454,693

**Comments:**

1. **Domestic Violence Activities** - An additional \$2.0 million is provided for shelters and other services for victims of domestic violence. These services shall be provided as a part of the Victim Assistance program, which provides support for community-based shelters, emergency counseling, and legal advocacy to children and families who have experienced domestic violence. The majority of funds will be distributed according to the Department's formula, with at least \$65,000 in operating funds provided to Mason County to support capital expenditures.
2. **Family Policy Council Transfer** - The Family Policy Council is transferred from the Children's Administration to the Administration and Supporting Services budget. (General Fund-State, Public Safety and Education Account-State, Violence Reduction and Education Account-State)
3. **Child Support For DD Children** - Savings are assumed in recognition of Chapter 183, Laws of 2004 (ESHB 2554). This agency request legislation allows the Division of Child Support to collect child support for some, but not all, developmentally delayed (DD) children in foster care. (General Fund-State, General Fund-Federal)
4. **Program Improvement Plan** - The amount of \$2.3 million is provided for foster care system improvements in response to the recently released federal Child and Family Services Review and for implementation of Chapter 147, Laws of 2004 (ESSB 6642). Funding is available to implement family team meetings at initial placement and placement moves, which is expected to improve outcomes for children by increasing the capability and support of families to stay intact when appropriate. Funding is also provided for case conferences and to expedite improvements to the Case and Management Information System. (General Fund-State, General Fund-Federal)
5. **Home Care Worker's Contr (EHB 1777)** - Chapter 278, Laws of 2004 (EHB 1777), provides funding for the purposes of implementing the renegotiated collective bargaining agreement between the Home Care Quality Authority and the exclusive bargaining representative of individual home care workers. The collective bargaining agreement increases individual provider wages by 50 cents per hour, from \$8.43 per hour to \$8.93 per hour on October 1, 2004; provides workers' compensation benefits effective October 1, 2004; and provides contributions of \$400 per month for health care benefits through a Taft-Hartley trust for eligible individual home care providers, effective January 1, 2005. Initiative 775 provided individual home care workers with collective bargaining rights under the Public Employees' Collective Bargaining Law. (General Fund-State, General Fund-Federal)

## Department of Social & Health Services Children and Family Services

### Workloads History By Fiscal Year

	1996	1997	1998	1999	2000	2001	2002	2003	Estimated	
									2004	2005
<b>Foster Care <sup>(1)</sup></b>										
Avg # Children Served Monthly	8,333	8,283	8,297	8,219	8,127	8,130	8,193	8,177	7,957	7,937
% Change from prior year		-0.6%	0.2%	-0.9%	-1.1%	0.0%	0.8%	-0.2%	-2.7%	-0.3%
<b>Child Care <sup>(2)</sup></b>										
Avg # Children Served Monthly	4,672	4,422	4,435	4,563	4,909	5,253	5,284	5,150	5,150	5,150
% Change from prior year		-5.4%	0.3%	2.9%	7.6%	7.0%	0.6%	-2.5%	0.0%	0.0%
<b>Child Protective Services</b>										
Avg CPS Referrals Monthly	6,241	6,319	6,477	6,214	6,351	6,375	6,461	6,288	6,500	6,500
% Change from prior year		1.2%	2.5%	-4.1%	2.2%	0.4%	1.3%	-2.7%	3.4%	0.0%
<b>Adoption Support</b>										
Avg # Served Monthly	3,678	4,040	4,683	5,455	6,318	7,247	8,049	8,704	9,691	10,522
% Change from prior year		9.8%	15.9%	16.5%	15.8%	14.7%	11.1%	8.1%	11.3%	8.6%
<b>Caseload Ratio</b>										
Avg Cases Per Worker <sup>(3)</sup>	36:1	36:1	33:1	29:1	29:1	29:1	24:1	24:1	24:1	24:1

(1) Includes Family Foster Care, Group Foster Care, and Receiving Care.

(2) Includes the following child care services: CPS/CWS, Therapeutic/Medicaid Treatment, and Foster Parent Employment. Prior to FY 2004, the monthly average also included adoption support child care. Prior to FY 2002, the monthly average also included teen parent and seasonal child care.

(3) Combined average number of open cases per worker for Child Protective Services, Child Welfare Services, and Family Reconciliation Services.

Data Source :

FY 1996 through FY 2003 actuals for Child Care and Child Protective Services provided by the DSHS Budget Division.

FY 1996 through FY 2003 actuals for Foster Care and Adoption Support provided by the Caseload Forecast Council.

FY 2004 through FY 2005 estimates for Child Care and Child Protective Services provided by the DSHS Budget Division.

FY 2004 through FY 2005 estimates for Foster Care and Adoption Support provided by the Caseload Forecast Council.

## Department of Social and Health Services Juvenile Rehabilitation

(Dollars in Thousands)

	GF-S	Other	Total
<b>2003-05 Original Appropriations</b>	<b>146,792</b>	<b>58,159</b>	<b>204,951</b>
<b>Total Maintenance Changes</b>	<b>-1,933</b>	<b>-310</b>	<b>-2,243</b>
<b>Policy Changes</b>			
1. Youthful Offender Program	312	0	312
2. Transfer Office of Juvenile Justice	-2,244	-5,492	-7,736
3. Governor Veto	2,132	0	2,132
<b>Total Policy Changes</b>	<b>200</b>	<b>-5,492</b>	<b>-5,292</b>
<b>2003-05 Revised Appropriations</b>	<b>145,059</b>	<b>52,357</b>	<b>197,416</b>
Fiscal Year 2004 Total	72,362	26,333	98,695
Fiscal Year 2005 Total	72,697	26,024	98,721

**Comments:**

1. **Youthful Offender Program** - The Juvenile Justice Act allows for the prosecution and sentencing of certain violent juvenile offenders as adults. The Department of Corrections (DOC) has transferred some of these youthful offenders to facilities managed by the Department of Social and Health Services Juvenile Rehabilitation Administration (JRA) under Chapter 72.01 RCW. Funding is adjusted to reflect the transfer of the remaining youthful offenders from the Clallam Bay Corrections Center to JRA facilities. As of February 2004, an average of 13 youthful offenders are being housed in a close-custody unit at the Clallam Bay Corrections Center. The transfer will allow DOC to utilize those beds for adult offenders, reducing the need to rent such beds from out of state. Offenders transferred to JRA will remain under the jurisdiction of DOC. The transfer will not change their sentences or time spent in total confinement, and the inmates will return to DOC facilities after their eighteenth birthday. Net state general fund savings when combined with the reduction in DOC are \$2.3 million.
2. **Transfer Office of Juvenile Justice** - The Office of Juvenile Justice (OJJ) is transferred from JRA to the Administration and Support Services program. The OJJ provides staff support to the Governor's Juvenile Justice Advisory Committee and administers a variety of state and federal juvenile justice and violence prevention grant programs. (General Fund-State, General Fund-Federal)
3. **Governor Veto** - The Governor partially vetoed Section 203 of Chapter 276, Laws of 2004, Partial Veto (ESHB 2459), which reflected supplemental budget adjustments to JRA's FY 2005 general fund appropriation. While the veto restores \$2.132 million in state general fund moneys to JRA for FY 2005, the Governor directed the Department to place \$1.076 million of these funds into unallotted status.

# Department of Social & Health Services

## Juvenile Rehabilitation

### WORKLOAD HISTORY

By Fiscal Year

	1996	1997	1998	1999	2000	2001	2002	2003	Estimated	
									2004	2005 <sup>(1)</sup>
<b>Community Residential <sup>(2)</sup></b>										
Avg Daily Population/Month	359	362	305	239	209	194	173	172	155	176
% Change from prior year		0.8%	-15.7%	-21.6%	-12.6%	-7.2%	-10.8%	-0.5%	-10.0%	13.5%
<b>Institutions</b>										
Avg Daily Population/Month	1,007	1,028	1,048	996	984	987	937	797	754	729
% Change from prior year		2.1%	1.9%	-5.0%	-1.2%	0.3%	-5.1%	-14.9%	-5.4%	-3.3%
<b>Parole <sup>(3)</sup></b>										
Avg Daily Population/Month	917	949	1,002	768	1,023	1,062	1,006	847	829	853
% Change from prior year		3.5%	5.6%	-23.4%	33.3%	3.8%	-5.3%	-15.8%	-2.1%	2.9%

(1) FY 2005 estimates reflect caseloads budgeted in the initial 2003-05 operating budget due to the Governor's veto of a portion of Section 203 of Chapter 276, Laws of 2004, Partial Veto (ESHB 2459), which included all supplemental budget adjustments to the Juvenile Rehabilitation Administration's FY 2005 state general fund appropriation.

(2) Includes State Group Homes, Community Residential Placements, the Short Term Transition Program, and the County Commitment Program. Beginning in FY 2002, funding for County Commitment Program beds was eliminated.

(3) Parole eligibility standards were significantly modified in FY 1998, FY 2000, and FY 2003.

Data Source :

FY 1996 through FY 2003 from DSHS Juvenile Rehabilitation Administration.

FY 2004 through FY 2005 data from legislative fiscal staff.

## Department of Social and Health Services Mental Health

(Dollars in Thousands)

	GF-S	Other	Total
<b>2003-05 Original Appropriations</b>	<b>674,685</b>	<b>554,961</b>	<b>1,229,646</b>
<b>Total Maintenance Changes</b>	<b>-8,724</b>	<b>17,542</b>	<b>8,818</b>
<b>Policy Changes</b>			
1. Additional DSH Funding	-12,114	12,114	0
2. Acute Care Plan	53	47	100
3. Children's Medical Premiums	778	945	1,723
4. Restore RSN Ratable Reduction	2,849	2,849	5,698
5. Offender Collaborative Treatment	164	36	200
6. SCHIP Match	-2,509	2,509	0
7. CSTC Patient Care	316	336	652
8. Staff Training Requirement	284	124	408
9. Legal Fees	1,780	0	1,780
10. SCTF Mitigation (King Co)	245	0	245
11. Hospital Billing Systems Compliance	579	64	643
<b>Total Policy Changes</b>	<b>-7,575</b>	<b>19,024</b>	<b>11,449</b>
<b>2003-05 Revised Appropriations</b>	<b>658,386</b>	<b>591,527</b>	<b>1,249,913</b>
Fiscal Year 2004 Total	319,176	298,304	617,480
Fiscal Year 2005 Total	339,210	293,223	632,433

**Comments:**

1. **Additional DSH Funding** - Because Congress has increased the amount of federal Disproportionate Share Hospital (DSH) funding available to the state, more federal and less state funding is required to support operation of the state psychiatric hospitals. (General Fund-State, General Fund-Federal)
2. **Acute Care Plan** - Funding is provided for development of a plan for maintaining and increasing the number of beds available for treatment of persons experiencing acute psychiatric emergencies. The plan is to provide an estimate of the number of acute care facilities needed to serve different areas of the state and to estimate the construction and operating cost of meeting that need under alternative operating arrangements (for example, state hospital-based versus community hospital-based versus free-standing; publicly-versus privately-operated). (General Fund-State, General Fund-Federal)
3. **Children's Medical Premiums** - The federal government has approved the state's proposal to charge monthly premiums for medical, dental, and mental health coverage of children whose family incomes are above the poverty level. The budget provides additional state funds so that monthly premiums will be lowered for those families with incomes between 150 and 250 percent of the federal poverty level and will be eliminated for those with incomes between 100 and 150 percent of the federal poverty level. The new premiums are to be \$10 per child per month for families with incomes between 150 and 200 percent of poverty, rather than \$20 per month as originally budgeted, and \$15 per month, rather than \$25, for families with incomes between 200 and 250 percent of poverty. The maximum amount due from any family will remain capped at the total for three children per household, and premium implementation is delayed until July 2004. (General Fund-State, General Fund-Federal)
4. **Restore RSN Ratable Reduction** - Funding is provided to return Medicaid payment rates for Regional Support Networks (RSN) for community mental health services to the level originally budgeted for the biennium. Rates would otherwise be reduced by 1.7 percent in the second year of the biennium in order to implement the Governor's veto of the legislative provision that community mental health administrative costs be limited to 10 percent of public spending. (General Fund-State, General Fund-Federal)
5. **Offender Collaborative Treatment** - Chapter 166, Laws of 2004, Partial Veto (E2SSB 6358), seeks to improve information-sharing and collaborative treatment when offenders under supervision by the Department of Corrections (DOC) are also subject to court-ordered mental health or chemical dependency treatment. Funding is provided to: (1) develop and train community mental health and chemical dependency treatment providers in the information-sharing and collaborative treatment methods required by the legislation; and (2) conduct additional risk assessments before a person who has been admitted from a correctional facility and who has a history of violent acts is discharged from a state hospital. (General Fund-State, General Fund-Federal, General Fund-Private/Local)
6. **SCHIP Match** - A recent federal law allows states to use unspent State Children's Health Insurance Program (SCHIP)

## Department of Social and Health Services Mental Health

funds to match Medicaid expenditures for children with family incomes over 150 percent of the federal poverty level. Because the federal matching funds rate is higher for SCHIP expenditures than for the regular Medicaid program, this reduces required state funding. This is a one-time savings, as the federal statutory provision is due to expire in September 2005. (General Fund-State, General Fund-Federal)

patient utilization review and billing documentation. An independent review of the hospitals' systems has identified weaknesses in these areas that could jeopardize the continued availability of non-state revenues that support hospital operations. (General Fund-State, General Fund-Private/Local)

### *Governor's Vetoes:*

The Governor vetoed Section 204(2)(d) of Chapter 276, Laws of 2004, Partial Veto (ESHB 2459), which directed the Department to maintain existing capacity at the state psychiatric hospitals until sufficient community resources were in place and the reduction had been approved by the Legislature.

7. **CSTC Patient Care** - Funding is provided to employ six additional direct care staff at the Child Study and Treatment Center (CSTC). The additional staffing is needed to provide safe and appropriate care for an increasingly disturbed and assaultive adolescent population. (General Fund-State, General Fund-Federal)
8. **Staff Training Requirement** - Funding is provided for the Mental Health Division to provide consultation and specialized training for all supervisory staff at the state hospitals in the identification, prevention, and effective response to sexual harassment in the workplace. Such training is necessary to resolve organizational problems at the state hospitals, such as those identified in a recent lawsuit at Western State Hospital. (General Fund-State, General Fund-Federal, General Fund-Private/Local)
9. **Legal Fees** - Funding is provided to increase the payment rate to counties for hourly prosecution and defense costs for sexually violent predator civil commitment. The Department of Social and Health Services (DSHS) currently pays attorneys a maximum allowable rate of \$49.41 per hour, a rate established 13 years ago in the Washington Administrative Code and not increased. Defense attorneys have recently argued before the courts that the low reimbursement rate negatively affects the defense work for their clients and may impair their clients' constitutional right to counsel. The additional funding assumes that the hourly prosecution and defense attorney payment rates are increased to \$65 per hour. Funding is also provided to provide investigators with an increase from \$20.66 per hour to \$30 per hour.
10. **SCTF Mitigation (King Co)** - Funding is provided for mitigation costs to the city of Seattle for the siting of the Secure Community Transition Facility (SCTF) on Spokane Street. The SCTF provides a less restrictive alternative for persons civilly committed as sexually violent predators who are transitioning from the Special Commitment Center on McNeil Island. This funding will provide training for law enforcement, utility costs for improved lighting, an additional detective at the Seattle Police Department, victims counseling, and meeting costs for an advisory committee of community stakeholders. Total mitigation funding for this facility is \$385,000. Of this amount, \$140,000 was assumed in the 2003-05 enacted budget and is provided at maintenance level; the resulting additional funding is \$245,000.
11. **Hospital Billing Systems Compliance** - Funding is provided for additional nurses and health records technicians to improve Western State Hospital business operations in the areas of

# Department of Social & Health Services

## Mental Health

### WORKLOAD HISTORY

By Fiscal Year

	1996	1997	1998	1999	2000	2001	2002	Estimated		
								2003	2004	2005
<b>State Hospitals <sup>(1)</sup></b>										
Avg Daily Population/Month	1,278	1,276	1,311	1,354	1,358	1,359	1,342	1,235	1,222	1,222
% Change from prior year		-0.2%	2.7%	3.3%	0.3%	0.1%	-1.2%	-8.0%	-1.1%	0.0%
Avg Daily Census/Month	1,246	1,243	1,275	1,317	1,343	1,343	1,328	1,231	1,218	1,218
% Change from prior year		-0.2%	2.6%	3.3%	1.9%	0.0%	-1.2%	-7.3%	-1.1%	0.0%
<b>Community Outpatient Services</b>										
	<b>38,482</b>	<b>39,861</b>	<b>41,328</b>	<b>43,882</b>	<b>45,132</b>	<b>48,254</b>	<b>51,201</b>	<b>53,830</b>	<b>55,580</b>	<b>56,659</b>
% Change from prior year		3.6%	3.7%	6.2%	2.8%	6.9%	6.1%	5.1%	3.3%	1.9%
Avg Adults Served per Month	28,077	28,853	30,024	31,840	32,876	35,239	36,938	37,347	39,945	41,197
% Change from prior year		2.8%	4.1%	6.0%	3.3%	7.2%	4.8%	1.1%	7.0%	3.1%
Avg Children Served per Month	10,405	11,008	11,304	12,042	12,256	13,015	14,268	14,700	14,661	15,166
% Change from prior year		5.8%	2.7%	6.5%	1.8%	6.2%	9.6%	3.0%	-0.3%	3.4%
<b>Special Commitment Center - Main Facility</b>										
Avg Monthly Population	33	43	57	79	105	130	151	171	192	220
% Change from prior year		30.3%	32.6%	38.6%	32.9%	24.0%	15.9%	13.3%	12.3%	14.6%
<b>Special Commitment Center - Less Restrictive Alternatives <sup>(2)</sup></b>										
Avg Monthly Population	2	2	2	3	5	5	7	9	12	18
% Change from prior year		0.0%	0.0%	50.0%	66.7%	3.3%	29.0%	35.0%	33.3%	50.0%

(1) Includes: Eastern State Hospital, Western State Hospital (WSH), WSH Program for Adaptive Living Skills (PALS), and Child Study and Treatment Center. Prior to FY 1995, also includes Program Offering Rehabilitation and Training in Adult Living (PORTAL).

(2) Includes persons in less restrictive alternative placements on McNeil Island and other locations.

Data Sources :

FY 1996 through FY 2003 actuals are from DSHS Division of Research and Data Analysis reports.

FY 2004 and FY 2005 estimates are from legislative fiscal committees.

## Department of Social and Health Services Developmental Disabilities

(Dollars in Thousands)

	GF-S	Other	Total
<b>2003-05 Original Appropriations</b>	<b>678,562</b>	<b>613,177</b>	<b>1,291,739</b>
<b>Total Maintenance Changes</b>	<b>-16,427</b>	<b>13,040</b>	<b>-3,387</b>
<b>Policy Changes</b>			
1. Community Protection Placements	826	832	1,658
2. Employment and Day Programs	1,000	300	1,300
3. Residential Vendor Rate Increase	3,227	2,986	6,213
4. Agency Provider Increase	312	290	602
5. Agency Provider Health Benefits	0	-134	-134
6. SCHIP Match	-545	545	0
7. Comprehensive Assessment Tool	1,241	1,258	2,499
8. Expand Community Services	1,035	1,041	2,076
9. Home Care Worker's Contr (EHB 1777)	8,096	7,531	15,627
<b>Total Policy Changes</b>	<b>15,192</b>	<b>14,649</b>	<b>29,841</b>
<b>2003-05 Revised Appropriations</b>	<b>677,327</b>	<b>640,866</b>	<b>1,318,193</b>
Fiscal Year 2004 Total	320,815	318,326	639,141
Fiscal Year 2005 Total	356,512	322,540	679,052

**Comments:**

1. **Community Protection Placements** - Funding is provided for expanded community services for 20 clients who are: (1) being diverted or discharged from the state psychiatric hospitals; (2) participants in the Dangerous Mentally Ill Offender program; (3) participants in the Community Protection program; or (4) mental health crisis diversion outplacements. In order to increase the number of clients served and ensure the cost-effectiveness of the waiver programs, the Department will strive to limit new client placement expenditures to 90 percent of the budgeted daily rate. If this can be accomplished, additional clients may be served with excess funds provided the total projected carryforward expenditures do not exceed those currently projected. (General Fund-State, General Fund-Federal)
2. **Employment and Day Programs** - Funding is provided for employment and day services to clients with developmental disabilities. Priority consideration for this new ongoing funding shall be young adults with developmental disabilities living with their family who need employment opportunities and assistance after high school graduation. Services shall be provided proportionately between home- and community-based waiver program clients and non-waiver clients. Federal funds may be used to enhance this funding to the extent that a client is already receiving services from a home- and community-based waiver program. (General Fund-State, General Fund-Federal)
3. **Residential Vendor Rate Increase** - Funding is provided for residential providers, including supported living, group homes, adult family homes, adult residential centers, and out-of-home voluntary placement program providers, to receive an inflationary vendor rate increase of 2.4 percent on July 1, 2004. (General Fund-State, General Fund-Federal)
4. **Agency Provider Increase** - Funding is provided to increase compensation for direct care workers employed by home care agencies by an average of 50 cents per hour, effective October 2004. The total amount provided also includes: (1) the employer share of payroll taxes on the increased compensation; and (2) ten cents per direct service hour to address the impact of this and of the October 2003 compensation increase on the cost of sick leave, annual leave, and travel time for direct care workers. (General Fund-State, General Fund-Federal)
5. **Agency Provider Health Benefits** - Currently, contracted agency home care workers who work at least 20 hours per week receive subsidized health care coverage through the Basic Health Plan (BHP) or through alternative plans with substantially equivalent benefits. Premium payments for substantially equivalent plans in 2005 are projected to be as much as 61 percent more expensive than for BHP. Funding is adjusted under the assumption that agency providers will increase their participation in BHP or purchase substantially equivalent health care benefits that have substantially equivalent premium payments. (Health Services Account-State, General Fund-Federal)
6. **SCHIP Match** - A recent federal law allows states to use unspent State Children's Health Insurance Program (SCHIP) funds to match Medicaid expenditures for children with family incomes over 150 percent of the federal poverty level. Because the federal matching funds rate is higher for SCHIP expenditures than for the regular Medicaid program, this reduces required state funding. This is a one-time savings, as

## Department of Social and Health Services Developmental Disabilities

the federal statutory provision is due to expire in September 2005. (General Fund-State, General Fund-Federal)

7. **Comprehensive Assessment Tool** - Funding is provided to modify and expand the Comprehensive Assessment Reporting Evaluation (CARE) tool for use in all client assessments for individuals with developmental disabilities. A recent Joint Legislative Audit and Review Committee study of the Division of Developmental Disabilities (DDD) found that a consistent assessment instrument was not being used by the Department to determine client service needs. Currently, all adult clients with developmental disabilities who are eligible for Medicaid Personal Care (MPC) are being assessed with the CARE instrument. Implementation of the modified assessment will occur in three phases: (1) use of the current CARE tool on children while developing help screens with age appropriate information; (2) modification of the CARE assessment tool for children, development of a mini-assessment, and the use of the CARE tool for adults who are not currently on MPC; and (3) completion of the modified children and adult CARE assessment tool. A total of \$3.7 million will be required through FY 2006, of which \$2.6 million is for one-time costs. Six FTEs are added through FY 2006 to support the new system. (General Fund-State, General Fund-Federal)
8. **Expand Community Services** - Funding is provided for community residential and support services for a minimum of 29 clients. Priority consideration for these placements shall be as follows: (1) children who are aging out of other state services; (2) clients without residential services who are in crisis or immediate risk of needing an institutional placement; and (3) current waiver clients who have been assessed as having an immediate need for residential services or increased support services. In order to increase the number of clients served and ensure the cost-effectiveness of the waiver programs, the Department will strive to limit new client placement expenditures to 90 percent of the budgeted daily rate. If this can be accomplished, additional clients may be served with excess funds provided the total projected carryforward expenditures do not exceed those currently projected. (General Fund-State, General Fund-Federal)
9. **Home Care Worker's Contr (EHB 1777)** - Chapter 278, Laws of 2004 (EHB 1777), provides funding for the purposes of implementing the renegotiated collective bargaining agreement between the Home Care Quality Authority and the exclusive bargaining representative of individual home care workers. The collective bargaining agreement increases individual provider wages by 50 cents per hour, from \$8.43 per hour to \$8.93 per hour on October 1, 2004; provides workers' compensation benefits effective October 1, 2004; and provides contributions of \$400 per month for health care benefits through a Taft-Hartley trust for eligible individual home care providers, effective January 1, 2005. Initiative 775 provided individual home care workers with collective bargaining rights under the Public Employees' Collective Bargaining Law. (General Fund-State, General Fund-Federal)

# Department of Social & Health Services

## Developmental Disabilities

### WORKLOAD HISTORY

By Fiscal Year

	1996	1997	1998	1999	2000	2001	2002	2003	Estimated	
									2004	2005
<b>Institutions <sup>(1)</sup></b>										
Avg Monthly Population	1,295	1,262	1,228	1,189	1,139	1,116	1,093	1,044	1,028	980
% change from prior year		-2.5%	-2.7%	-3.2%	-4.2%	-2.0%	-2.0%	-4.5%	-1.5%	-4.7%
<b>Community Residential Programs <sup>(2)</sup></b>										
Avg Month End Contracted Beds	3,740	3,819	3,742	3,747	3,920	3,957	4,010	4,005	4,030	4,092
% change from prior year		2.1%	-2.0%	0.1%	4.6%	0.9%	1.3%	-0.1%	0.6%	1.5%
<b>Employment &amp; Day Programs <sup>(5)</sup></b>										
Avg Monthly Number Served	7,571	7,954	8,455	8,567	9,193	9,636	10,186	10,751	10,777	10,838
% change from prior year		5.1%	6.3%	1.3%	7.3%	4.8%	5.7%	5.5%	0.2%	0.6%
<b>Family Support <sup>(3)</sup></b>										
Number of Clients Served	2,659	3,637	3,985	4,658	5,247	6,256	6,929	7,149	7,333	7,507
% change from prior year		36.8%	9.6%	16.9%	12.6%	19.2%	10.8%	3.2%	2.6%	2.4%
<b>Adult Personal Care <sup>(4)</sup></b>										
Number of Clients Served	3,525	3,951	4,199	4,730	5,015	5,630	6,212	6,758	7,199	7,528
% change from prior year		10.8%	5.9%	11.2%	5.7%	10.9%	9.4%	8.1%	6.1%	4.4%

(1) Funded capacity at the Residential Habilitation Centers from FY 2000 through FY 2003 was 1,231 clients.

(2) Includes Alternate Living (clients served), Group Homes, intermediate care facilities for the mentally retarded (IMRs), Tenant Support (clients served), and State Operated Living Alternatives (SOLA).

(3) Family Support includes Children's Personal Care.

(4) Adult Personal Care includes Medicaid Personal Care and Chore Services. Prior to FY 1990, Developmental Disabilities' clients enrolled in these programs were counted in the Long-Term Care program totals.

(5) \$1.3 million in funding was provided for employment and day services to youth graduating from high school. The exact number of clients who will use these funds is indeterminate and is not included in the workload numbers.

#### Data Sources:

FY 1992 through FY 2003 from the DSHS Executive Management Information System workload database except FY 1993 through FY 1997 Community Residential is from DSHS Division of Developmental Disabilities due to a change in reporting methodology.

FY 2004 through FY 2005 are budget estimates from legislative fiscal staff.

## Department of Social and Health Services Long-Term Care

(Dollars in Thousands)

	GF-S	Other	Total
<b>2003-05 Original Appropriations</b>	<b>1,128,314</b>	<b>1,186,043</b>	<b>2,314,357</b>
<b>Total Maintenance Changes</b>	<b>-41,143</b>	<b>10,484</b>	<b>-30,659</b>
<b>Policy Changes</b>			
1. In-Home Care Legal Settlement	696	696	1,392
2. APS Fair Hearings	513	321	834
3. Residential Vendor Rate Increase	9,762	9,583	19,345
4. Agency Provider Increase	1,952	1,941	3,893
5. Agency Provider Health Benefits	-433	-433	-866
6. Estate Adjudication Provisions	-200	-200	-400
7. AAA Nursing/Case Mgmt Services	2,205	2,347	4,552
8. Kinship Caregivers	500	0	500
9. Home Care Worker's Contr (EHB 1777)	14,279	14,171	28,450
<b>Total Policy Changes</b>	<b>29,274</b>	<b>28,426</b>	<b>57,700</b>
<b>2003-05 Revised Appropriations</b>	<b>1,116,445</b>	<b>1,224,953</b>	<b>2,341,398</b>
Fiscal Year 2004 Total	523,896	605,914	1,129,810
Fiscal Year 2005 Total	592,549	619,039	1,211,588

**Comments:**

1. **In-Home Care Legal Settlement** - In *Townsend v. Quasim*, the U.S. Court of Appeals for the Ninth Circuit found that the state is legally obligated to participate in the cost of community-based long-term care for persons whose incomes are too high to qualify for such services under the regular Medicaid program, but who would receive Medicaid-funded assistance if they were to enter a nursing home. Rather than appealing this ruling, the Department agreed to a settlement under which 200 persons will receive Medicaid-funded in-home care and medical assistance services. (General Fund-State, General Fund-Federal)
2. **APS Fair Hearings** - In response to a Superior Court order and a settlement agreement reached upon appeal, the Department of Social and Health Services (DSHS) now provides an administrative fair hearing opportunity to persons against whom Adult Protective Services (APS) has made a substantiated finding of abuse, abandonment, neglect, and/or financial exploitation of a vulnerable adult. It is estimated that an administrative hearing will need to be conducted in approximately 10 percent (180) of the annual APS investigations in which there is a substantiated finding, and that approximately one-third of the cases heard will subsequently be appealed. This item provides funding for APS staff to prepare and present the findings at hearing and appeal, and for programming of an electronic registry so that information about substantiated cases will be available to potential employers. In addition to the funds provided here, approximately \$1 million (\$0.5 million state) is provided in the Department's Administration and Supporting Services program and \$677,000 is provided to the Office of Administrative Hearings for review judges to conduct hearings and appeals. (General Fund-State, General Fund-Federal)
3. **Residential Vendor Rate Increase** - Funding is provided for adult family homes, adult residential centers, and assisted living facilities to receive an inflationary vendor rate increase of 2.4 percent on July 1, 2004. Additionally, nursing facilities will receive a corresponding 2.4 percent increase to non-capital payment rates, increasing average nursing home payments from \$144.93 per day to \$148.11 per day in FY 2005. (General Fund-State, General Fund-Federal)
4. **Agency Provider Increase** - Funding is provided to increase payments to agency providers of home care services from \$14.27 per hour to \$14.93 per hour, effective October 1, 2004. As a result of these changes, compensation for direct care workers employed by home care agencies will be increased by \$0.50 per hour. Another \$0.10 per direct service hour is added to address the impact of this and of the October 2003 compensation increase on the cost of sick leave, annual leave, and travel time for direct care workers. (General Fund-State, General Fund-Federal)
5. **Agency Provider Health Benefits** - Currently, contracted agency home care workers who work at least 20 hours per week receive subsidized health care coverage through the Basic Health Plan (BHP) or through alternative plans with substantially equivalent benefits. Premium payments for substantially equivalent plans in 2005 are projected to be as much as 61 percent more expensive than for the BHP. Funding is adjusted under the assumption that agency providers will increase their participation in the BHP or purchase substantially equivalent health care benefits that have substantially equivalent

## Department of Social and Health Services Long-Term Care

premium payments. (General Fund-State, General Fund-Federal)

6. **Estate Adjudication Provisions** - In accordance with Chapter 193, Laws of 2004 (SHB 2904), savings are achieved by requiring that notices of estate adjudications for deceased clients who received publicly-funded long-term care and medical assistance services be sent to the Department of Social and Health Services (DSHS) and that heirs of such estates wait four months after providing notice of adjudication before being released from liability for assets transferred from the estate. These changes will allow DSHS to increase the number of claims (approximately 20 additional claims per year) against the estates of deceased elderly and disabled clients who received services from the Department, as required by federal and state statutes. The changes to the probate code close a loophole in the law that allows for the premature distribution of assets and provide the Department an opportunity to make claims for payments from the estates of former clients when no personal representative has been appointed to administer the estate. (General Fund-State, General Fund-Federal)
7. **AAA Nursing/Case Mgmt Services** - State funding for Area Agencies on Aging (AAAs) is increased by 15 percent above previously budgeted levels, beginning July 2004. The state contracts with the AAAs to provide case management and nurse oversight for persons who receive in-home long-term care. A recent study indicates that such an increase is needed to support AAAs in meeting contracted requirements for client assessment, service implementation/coordination, and monitoring of client care. (General Fund-State, General Fund-Federal)
8. **Kinship Caregivers** - Funding is provided to assist grandparents and other individuals who are caring for a child to gain access to counseling, support groups, respite care, and other support services. These services shall be provided by AAAs, or organizations that contract with them. The AAAs shall give priority to kinship caregivers who, in the absence of such services, are at the greatest risk of no longer being able to maintain the primary caregiving role.
9. **Home Care Worker's Contr (EHB 1777)** - Chapter 278, Laws of 2004 (EHB 1777), provides funding for the purposes of implementing the renegotiated collective bargaining agreement between the Home Care Quality Authority and the exclusive bargaining representative of individual home care workers. The collective bargaining agreement increases individual provider wages by 50 cents per hour, from \$8.43 per hour to \$8.93 per hour on October 1, 2004; provides workers' compensation benefits effective October 1, 2004; and provides contributions of \$400 per month for health care benefits through a Taft-Hartley trust for eligible individual home care providers, effective January 1, 2005. Initiative 775 provided individual home care workers with collective bargaining rights under the Public Employees' Collective Bargaining Law. (General Fund-State, General Fund-Federal)

**Department of Social & Health Services**  
**Long-Term Care Services**

**WORKLOAD HISTORY**

By Fiscal Year

	1996	1997	1998	1999	2000	2001	2002	2003	Estimated	
									2004	2005
<b>Nursing Homes</b>										
# FTE Clients	15,905	14,992	14,645	14,081	13,783	13,529	13,135	12,930	12,630	12,379
% Change from prior year		-5.7%	-2.3%	-3.9%	-2.1%	-1.8%	-2.9%	-1.6%	-2.3%	-2.0%
<b>Community Care *</b>										
# Clients Served	20,876	23,119	25,675	27,567	29,319	30,919	32,213	33,727	34,924	36,190
% Change from prior year		10.7%	11.1%	7.4%	6.4%	5.5%	4.2%	4.7%	3.5%	3.6%

\* Includes Chore Services, Community Options Program Entry Services (COPES), Adult Residential, and Medicaid Personal Care.

Data Source :

Community Care for FY 1996 from DSHS Aging and Disability Services Administration.

All other data is from the Caseload Forecast Council and legislative fiscal staff.

## Department of Social and Health Services Economic Services Administration

(Dollars in Thousands)

	GF-S	Other	Total
<b>2003-05 Original Appropriations</b>	<b>815,547</b>	<b>1,243,638</b>	<b>2,059,185</b>
<b>Total Maintenance Changes</b>	<b>66,682</b>	<b>-689</b>	<b>65,993</b>
<b>Policy Changes</b>			
1. Distribution of Child Support	-423	-411	-834
2. Child Care Subsidy Rate Increase	500	0	500
3. Child Support For DD Children	36	72	108
4. LEP Pathway Program	1,250	0	1,250
5. Food Assistance	96	27	123
<b>Total Policy Changes</b>	<b>1,459</b>	<b>-312</b>	<b>1,147</b>
<b>2003-05 Revised Appropriations</b>	<b>883,688</b>	<b>1,242,637</b>	<b>2,126,325</b>
Fiscal Year 2004 Total	445,968	620,443	1,066,411
Fiscal Year 2005 Total	437,720	622,194	1,059,914

**Comments:**

1. **Distribution of Child Support** - Savings are assumed in recognition of HB 2553. This agency request legislation allows the Department to consider income levels when distributing past-due child support collections for cases enforced on behalf of another state or jurisdiction. (General Fund-State, General Fund-Federal) Note: HB 2553 failed to pass the Legislature and was not enacted into law.
2. **Child Care Subsidy Rate Increase** - Funding is provided for a Working Connections Child Care subsidy rate increase for child care providers in urban areas of Region One.
3. **Child Support For DD Children** - This item reflects child support enforcement costs related to Chapter 183, Laws of 2004 (ESHB 2554). This agency request legislation allows the Division of Child Support to collect child support for some, but not all, developmentally delayed (DD) children in foster care. Funding is provided for one additional collections officer to handle the increased collections caseload. (General Fund-State, General Fund-Federal)
4. **LEP Pathway Program** - Funding is provided to continue specialized employment services through the WorkFirst Limited-English-Proficient (LEP) Pathway program for refugees and LEP families and individuals that receive Temporary Assistance for Needy Families, State Family Assistance, or Refugee Cash Assistance benefits. Services include, but are not limited to, English as a second language training, job placement assistance, and work support services. LEP services are provided through contracts with governmental agencies, voluntary refugee resettlement agencies, local community colleges, and community-based organizations involved in the resettlement of refugees and immigrants in Washington State.
5. **Food Assistance** - Funding is provided to implement Chapter 54, Laws of 2004 (ESB 6411). (General Fund-State, General Fund-Federal, General Fund-Private/Local)

**Department of Social & Health Services**  
**Economic Services Administration**

**WORKLOAD HISTORY**  
By Fiscal Year

	1996	1997	1998	1999	2000	2001	2002	2003	<b>Estimated</b>	
									<b>2004</b>	<b>2005</b>
<b>General Assistance <sup>(1)</sup></b>										
Avg Monthly Caseload	18,074	18,155	17,657	17,129	16,416	17,857	19,934	19,483	18,517	21,858
% Change from prior year		0.4%	-2.7%	-3.0%	-4.2%	8.8%	11.6%	-2.3%	-5.0%	18.0%
<b>TANF Cases <sup>(2)</sup></b>										
Avg Monthly Caseload	101,136	97,309	84,685	67,475	58,796	54,758	55,068	53,710	53,329	53,298
% Change from prior year		-3.8%	-13.0%	-20.3%	-12.9%	-6.9%	0.6%	-2.5%	-0.7%	-0.1%
<b>Child Care</b>										
Avg # Children Served/Month	30,636	33,309	41,707	51,187	58,786	67,454	71,893	71,017	71,917	73,252
% Change from prior year		8.7%	25.2%	22.7%	14.8%	14.7%	6.6%	-1.2%	1.3%	1.9%

(1) FY 1996 through FY 2000 includes General Assistance-Unemployable (GA-U), General Assistance-Unemployable with expedited medical (GA-X), and General Assistance for children living with legal guardians (GA-H). Starting in FY 2001 GA-H cases are covered by Temporary Assistance to Needy Families (TANF) funding and are moved out of the General Assistance estimate into the TANF Cases estimate. Data collection changed to the Caseload Analysis and Reporting Database (CARD) system in FY 1998. To provide comparable data, monthly caseload data from FY 1996 and FY 1997 have been adjusted to reflect the CARD system, which is 7.05 percent higher on average than the previous Average Grant method.

(2) Includes General Assistance-Pregnant Woman (GA-S) cases and GA-H cases starting in FY 2001 (see note above). To provide comparable data, monthly caseload data from FY 1996 and FY 1997 have been adjusted to reflect the CARD system, which is 7.05 percent higher on average than the previous Average Grant method.

Data Sources :

FY 1996 through FY 2002 General Assistance actuals provided by the Caseload Forecast Council.

FY 1996 through FY 2003 TANF Cases and Child Care actuals provided by the DSHS Budget Division and the Office of Financial Management.

FY 2004 through FY 2005 estimates represent legislative budget assumptions, based upon forecasts provided by the Caseload Forecast Council and the Office of Financial Management.

## Department of Social and Health Services Alcohol & Substance Abuse

(Dollars in Thousands)

	GF-S	Other	Total
<b>2003-05 Original Appropriations</b>	<b>80,640</b>	<b>151,714</b>	<b>232,354</b>
<b>Total Maintenance Changes</b>	<b>-510</b>	<b>3,473</b>	<b>2,963</b>
<b>Policy Changes</b>			
1. Fund Shifts	300	-300	0
2. Treatment for Problem Gambling	0	500	500
3. Washington State Mentoring Partners	250	0	250
4. Adjust TASC Funding Level	500	0	500
5. Lapse	0	-500	-500
<b>Total Policy Changes</b>	<b>1,050</b>	<b>-300</b>	<b>750</b>
<b>2003-05 Revised Appropriations</b>	<b>81,180</b>	<b>154,887</b>	<b>236,067</b>
Fiscal Year 2004 Total	39,979	77,692	117,671
Fiscal Year 2005 Total	41,201	77,195	118,396

**Comments:**

1. **Fund Shifts** - Funds are shifted between accounts in order to balance the state Public Safety and Education Account. (General Fund-State, Public Safety and Education Account-State, Violence Reduction and Drug Enforcement Account-State) and the \$500,000 transfer from the Gambling Revolving Account to the Problem Gambling Treatment Account lapse.
2. **Treatment for Problem Gambling** - E2SHB 2776, which was not enacted, would have: (1) created the Problem Gambling Treatment Account; and (2) established a study group to develop recommendations for a permanent funding source for treatment of problem gambling. In anticipation of the bill's passage, the budget included: (1) a one-time transfer of \$500,000 from the state Gambling Revolving Account to the state Problem Gambling Treatment Account; and (2) a \$500,000 appropriation from the new account for treatment of problem gambling. However, because E2SHB 2776 was not enacted, this funding shall lapse (see Lapse item below).
3. **Washington State Mentoring Partners** - Funding is provided for the Washington State Mentoring Partnership, a program that provides mentoring relationships and support to youth. The partnership serves as a network to expand the field of mentoring throughout the state, to advocate prevention benefits, and to provide support services. This state investment is expected to leverage funds by encouraging private-sector participation.
4. **Adjust TASC Funding Level** - The Treatment Accountability for Safe Communities (TASC) program connects the criminal justice and chemical dependency treatment systems, providing assessment, case management, treatment referral, and urinalysis monitoring services. Funding is provided to ensure the program is ongoing.
5. **Lapse** - Because E2SHB 2776 failed to pass, the \$500,000 appropriation from the Problem Gambling Treatment Account

**Department of Social & Health Services**  
**Division of Alcohol and Substance Abuse**

**WORKLOAD HISTORY**

By Fiscal Year

	1996	1997	1998	1999	2000	2001	2002	2003	<b>Estimated</b>	
									<b>2004</b>	<b>2005</b>
<b>ADATSA - Assessment</b>										
Avg Monthly Assessments	1,284	1,199	1,194	1,162	1,167	1,112	1,176	1,126	1,168	1,168
% Change from prior year		-6.6%	-0.4%	-2.7%	0.4%	-4.7%	5.8%	-4.3%	3.7%	0.0%
<b>ADATSA - Outpatient Treatment</b>										
Avg Monthly Admissions	325	308	322	340	351	357	386	381	389	389
% Change from prior year		-5.2%	4.5%	5.6%	3.2%	1.7%	8.1%	-1.3%	2.1%	0.0%
<b>ADATSA - Residential</b>										
Avg Monthly Admissions	610	631	673	633	574	596	575	569	559	559
% Change from prior year		3.4%	6.7%	-5.9%	-9.3%	3.8%	-3.5%	-1.0%	-1.8%	0.0%

*The Alcoholism and Drug Addiction Treatment and Support Act (ADATSA) was established in 1987.*

*Workloads in ADATSA services are limited to openings available.*

*Data Sources:*

*FY 1996 through FY 2003 actuals provided by the DSHS Budget Division.*

*FY 2004 through FY 2005 estimates are from legislative fiscal committees.*

## Department of Social and Health Services Medical Assistance Payments

(Dollars in Thousands)

	GF-S	Other	Total
<b>2003-05 Original Appropriations</b>	<b>2,450,197</b>	<b>4,806,706</b>	<b>7,256,903</b>
<b>Total Maintenance Changes</b>	<b>-78,894</b>	<b>-47,203</b>	<b>-126,097</b>
<b>Policy Changes</b>			
1. Premera Law Suit Settlement	1,187	1,188	2,375
2. Additional Federal DSH Funding	0	42,584	42,584
3. Medically Indigent Hospital Grants	0	10,000	10,000
4. Increased Hospital DSH Grants	0	6,607	6,607
5. Teaching Hospitals Federal Match	0	20,000	20,000
6. In-Home Care Legal Settlement	180	180	360
7. Home Care Referral Registry	0	155	155
8. MMIS Replacement	1,817	16,354	18,171
9. Children's Medical Premiums	0	43,621	43,621
10. State Drug Pricing Program	-3,910	-4,003	-7,913
11. Improve Drug Rebate Collections	-2,744	-2,867	-5,611
12. SCHIP Match	-130	130	0
13. Estate Adjudication Provisions	-50	-50	-100
<b>Total Policy Changes</b>	<b>-3,650</b>	<b>133,899</b>	<b>130,249</b>
<b>2003-05 Revised Appropriations</b>	<b>2,367,653</b>	<b>4,893,402</b>	<b>7,261,055</b>
Fiscal Year 2004 Total	1,119,073	2,431,108	3,550,181
Fiscal Year 2005 Total	1,248,580	2,462,294	3,710,874

**Comments:**

1. **Premera Law Suit Settlement** - The Department of Social and Health Services (DSHS) agreed on December 18, 2003, to settle a lawsuit that Premera Blue Cross filed on May 22, 2000. Under the settlement, the Department will pay Premera \$2,375,000. This payment will cover all of Premera's claims related to clients enrolled in their managed care plan who were subsequently determined to have been eligible for Supplemental Security Income payments for the time period beginning October 1, 1996, and ending June 30, 2000. (General Fund-State, General Fund-Federal)
2. **Additional Federal DSH Funding** - Congress has increased by approximately \$36.0 million the amount of federal Disproportionate Share Hospital (DSH) revenue that will be available to the state this biennium. The budget uses \$12.0 million of the new revenue to support operation of the state psychiatric hospitals. Of the remainder, \$6.6 million is provided in direct transfers to public hospital districts, and the balance will be used to support the Basic Health Plan, children's Medicaid coverage, hospital grants, and other programs funded through the Health Services Account. (Health Services Account-State, General Fund-Federal)
3. **Medically Indigent Hospital Grants** - Funding is provided to increase grants to hospitals serving a large number of patients who are uninsured or underinsured. (Health Services Account-State)
4. **Increased Hospital DSH Grants** - This represents the amount of increased federal DSH funding that will be directly retained by public hospital districts. (Health Services Account-State)
5. **Teaching Hospitals Federal Match** - Additional federal Medicaid funding is available to offset the cost of uncompensated care at Harborview Medical Center and at the University of Washington Hospital. The hospitals will use state appropriations and tuition revenue to provide the required non-federal match. (General Fund-Federal, General Fund-Local)
6. **In-Home Care Legal Settlement** - The Ninth Circuit Court of Appeals has found that the state is legally obligated to participate in the cost of community-based long-term care for persons whose incomes are too high to qualify for such services under the regular Medicaid program, but who would receive Medicaid-funded assistance if they were to enter a nursing home. The decision was not appealed, and the Department instead entered a settlement under which up to 200 persons will receive Medicaid-funded in-home care and medical services. Continuing these services in the 2005-07 biennium will cost an estimated \$3.1 million in state funds. (General Fund-State, General Fund-Federal)
7. **Home Care Referral Registry** - Increased state expenditures by the Home Care Quality Authority to develop a referral registry of individual providers of home care services will be matched with federal Medicaid funds. (General Fund-Federal)

## Department of Social and Health Services

### Medical Assistance Payments

8. **MMIS Replacement** - Funding is provided to complete requirements analysis, systems specifications, contractor selection, and initial design and development work on a replacement Medicaid Management Information System (MMIS). The MMIS is the automated, federally-required system that pays approximately 29 million medical billings, totaling about \$3.5 billion, per year. The current system is over 20 years old and is inefficient, subject to frequent break-downs, difficult to adapt to changes in policy, and does not provide timely and integrated data for budget and policy planning. Additionally, the federal government, which pays 90 percent of the cost of system development and 75 percent of the cost of ongoing operation, has notified the state that the contract for operation of the current MMIS cannot be extended beyond December 2006. (General Fund-State, General Fund-Federal)
9. **Children's Medical Premiums** - The federal government has approved the state's proposal to charge monthly premiums for medical, dental, and mental health coverage of children whose family incomes are above the poverty level. The budget provides additional state funds, so that families' monthly premium responsibilities will be lower for those families with incomes greater than 150 percent of the poverty level, and will be eliminated for those with incomes between 100 and 150 percent of the poverty level. The new premium levels are to be \$10 per child per month for families with incomes between 150 and 200 percent of poverty, rather than \$20 per month as originally budgeted; and \$15 per month, rather than \$25, for families with incomes between 200 and 250 percent of poverty. The maximum amount due from any family will remain capped at three children per household, and premium implementation is delayed until July 2004. (Health Services Account-State, General Fund-Federal)
10. **State Drug Pricing Program** - Additional staff are authorized in order to increase the number of multi-source drug classes that are researched and priced at lower levels through the state maximum allowable cost process. The net savings result from purchasing more classes of drugs at prices closer to their actual acquisition cost, rather than at prices based on national guidelines that are often outdated. (General Fund-State, General Fund-Federal)
11. **Improve Drug Rebate Collections** - Funding is provided to assign four additional staff to collection of rebates due to the state under the Medicaid prescription drug program. The staff will reduce a backlog of approximately \$7.0 million of claims currently under dispute with the manufacturers and initiate a number of process improvements that will result in faster recovery of rebates for a broader array of drugs in the future. (General Fund-State, General Fund-Federal)
12. **SCHIP Match** - A recent federal law allows states to use unspent State Children's Health Insurance Program (SCHIP) funds to match Medicaid expenditures for children with family incomes over 150 percent of the federal poverty level. Because the federal matching funds rate is higher for SCHIP expenditures than for the regular Medicaid program, this reduces required state funding. This is a one-time savings, as the federal statutory provision is due to expire in September 2005. (General Fund-State, General Fund-Federal, Health Services Account-State)
13. **Estate Adjudication Provisions** - In accordance with Chapter 193, Laws of 2004 (SHB 2904), savings are achieved by requiring that notices of estate adjudications for deceased clients who received publicly-funded long-term care and medical assistance services be sent to the Department of Social and Health Services (DSHS) and that heirs of such estates wait four months after providing notice of adjudication before being released from liability for assets transferred from the estate. These changes will allow DSHS to increase the number of claims (approximately 20 additional claims per year) against the estates of deceased elderly and disabled clients who received services from the Department, as required by federal and state statutes. The changes to the probate code close a loophole in the law that allows for the premature distribution of assets and provide the Department an opportunity to make claims for payments from the estates of former clients when no personal representative has been appointed to administer the estate. (General Fund-State, General Fund-Federal)

**Department of Social & Health Services**  
**Medical Assistance Payments**

**WORKLOAD HISTORY**

By Fiscal Year

	1996	1997	1998	1999	2000	2001	2002	2003	Estimated	
									2004	2005
<b>Categorically Needy</b>	<b>653,083</b>	<b>697,456</b>	<b>704,900</b>	<b>691,838</b>	<b>718,286</b>	<b>766,349</b>	<b>788,931</b>	<b>825,437</b>	<b>838,736</b>	<b>865,118</b>
AFDC/TANF	320,540	310,247	286,965	254,023	249,938	268,785	272,388	276,656	283,896	288,974
Elderly	38,716	42,050	45,047	47,336	50,408	51,757	53,091	54,096	55,126	56,111
Disabled	94,848	94,962	95,010	96,640	100,187	106,870	114,587	118,309	123,099	127,133
Non-AFDC Children	162,748	211,707	239,487	254,069	276,272	293,904	319,793	344,547	343,306	357,770
Non-AFDC Pregnant Women	19,043	20,853	21,430	21,851	21,702	22,353	23,937	25,832	26,283	27,628
Undocumented Children	13,000	13,468	13,050	13,297	15,328	18,100	0	0	0	0
Medicare Beneficiaries	4,188	4,169	3,911	4,622	4,451	4,580	5,036	5,734	6,601	6,953
Breast & Cervical Cancer							69	121	187	209
Medicaid Buy-In							30	142	238	340
<b>Medically Needy</b>	<b>11,395</b>	<b>10,245</b>	<b>11,059</b>	<b>11,596</b>	<b>12,566</b>	<b>13,465</b>	<b>14,528</b>	<b>16,061</b>	<b>17,195</b>	<b>19,146</b>
AFDC-Related	1,433	0	0	0	0	0	0	0	0	0
Elderly	4,295	4,341	4,625	4,822	5,158	5,642	6,005	6,437	6,772	7,493
Disabled	5,576	5,765	6,356	6,650	7,299	7,752	8,523	9,624	10,423	11,653
All Others	91	139	78	124	109	71	0	0	0	0
<b>Children's Health Insurance Program</b>				2	355	3,378	6,049	7,347	8,747	10,300
<b>General Assistance/ADATSA</b>										
# Persons/Month	11,786	12,997	13,179	12,911	11,716	11,987	11,671	10,429	10,997	11,333
<b>State Medically Indigent</b>										
# Persons/Month	2,060	2,003	2,284	2,271	2,457	2,690	3,331	3,997	0	0
<b>Refugees</b>										
# Persons/Month	1,411	1,064	1,353	1,319	1,004	1,135	933	677	743	725
<b>Total Eligibles per Month</b>	<b>679,735</b>	<b>723,765</b>	<b>732,775</b>	<b>719,935</b>	<b>746,384</b>	<b>799,004</b>	<b>825,443</b>	<b>863,948</b>	<b>876,418</b>	<b>906,622</b>
% Change from prior year		6.5%	1.2%	-1.8%	3.7%	7.0%	3.3%	4.7%	1.4%	3.4%

Data Sources:

Caseload Forecast Council and legislative fiscal committees.

**Department of Social and Health Services  
Vocational Rehabilitation**

(Dollars in Thousands)

	<b>GF-S</b>	<b>Other</b>	<b>Total</b>
<b>2003-05 Original Appropriations</b>	<b>20,382</b>	<b>86,243</b>	<b>106,625</b>
<b>Total Maintenance Changes</b>	<b>-19</b>	<b>892</b>	<b>873</b>
<b>2003-05 Revised Appropriations</b>	<b>20,363</b>	<b>87,135</b>	<b>107,498</b>
Fiscal Year 2004 Total	10,172	42,550	52,722
Fiscal Year 2005 Total	10,191	44,585	54,776

**Comments:**

There were no policy level changes.

## Department of Social and Health Services Administration & Supporting Services

(Dollars in Thousands)

	GF-S	Other	Total
<b>2003-05 Original Appropriations</b>	<b>61,894</b>	<b>46,562</b>	<b>108,456</b>
<b>Total Maintenance Changes</b>	<b>2,698</b>	<b>1,210</b>	<b>3,908</b>
<b>Policy Changes</b>			
1. APS Fair Hearings	154	126	280
2. Family Policy Council Transfer	12	6,596	6,608
3. Transfer Office of Juvenile Justice	2,244	5,492	7,736
<b>Total Policy Changes</b>	<b>2,410</b>	<b>12,214</b>	<b>14,624</b>
<b>2003-05 Revised Appropriations</b>	<b>67,002</b>	<b>59,986</b>	<b>126,988</b>
Fiscal Year 2004 Total	37,620	29,473	67,093
Fiscal Year 2005 Total	29,382	30,513	59,895

**Comments:**

1. **APS Fair Hearings** - In January 2003, the King County Superior Court ordered the Department of Social and Health Services (DSHS) to provide an administrative fair hearing to an individual home care worker terminated from employment as a result of a substantiated Adult Protective Services (APS) finding. As of October 1, 2003, DSHS began providing due process hearings for individuals with substantiated APS findings of abuse, abandonment, neglect, and/or financial exploitation of a vulnerable adult. It is estimated that 180 APS investigations per year will require such administrative fair hearings. (General Fund-State, General Fund-Federal)
2. **Family Policy Council Transfer** - The Family Policy Council is transferred from DSHS' Children's Administration budget to the Administration and Supporting Services budget. (General Fund-State, Public Safety and Education Account-State, Violence Reduction and Drug Education Account-State)
3. **Transfer Office of Juvenile Justice** - The Office of Juvenile Justice (OJJ) is transferred from DSHS' Juvenile Rehabilitation Administration to the Administration and Supporting Services program. The OJJ provides staff support to the Governor's Juvenile Justice Advisory Committee and administers a variety of state and federal juvenile justice and violence prevention grant programs. (General Fund-State, General Fund-Federal)

## Department of Social and Health Services Payments to Other Agencies

(Dollars in Thousands)

	GF-S	Other	Total
<b>2003-05 Original Appropriations</b>	<b>84,022</b>	<b>41,994</b>	<b>126,016</b>
<b>Total Maintenance Changes</b>	<b>2,552</b>	<b>1,023</b>	<b>3,575</b>
<b>Policy Changes</b>			
1. APS Fair Hearings	373	304	677
<b>Total Policy Changes</b>	<b>373</b>	<b>304</b>	<b>677</b>
<b>2003-05 Revised Appropriations</b>	<b>86,947</b>	<b>43,321</b>	<b>130,268</b>
Fiscal Year 2004 Total	43,454	21,636	65,090
Fiscal Year 2005 Total	43,493	21,685	65,178

**Comments:**

1. **APS Fair Hearings** - In January 2003, the King County Superior Court ordered the Department of Social and Health Services (DSHS) to provide an administrative fair hearing to an individual home care worker terminated from employment as a result of a substantiated Adult Protective Services (APS) finding. As of October 1, 2003, DSHS began providing due process hearings for individuals with substantiated APS findings of abuse, abandonment, neglect, and/or financial exploitation of a vulnerable adult. It is estimated that 180 APS investigations per year will require such administrative fair hearings. Funding is provided to reimburse the Office of the Attorney General for costs associated with these hearings. (General Fund-State, General Fund-Federal)